

4/25/77 [2]

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/ attach.	<p>From Bert Lance to The President (5 pp.) enclosed in Hutcheson to Brzezinski and lance 4/25/77 Re: Negotiations with Portugal</p> <p><i>OPENED 1/18/03</i></p>	4/22/77	A

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THE WHITE HOUSE
WASHINGTON

April 25, 1977

Bob Lipshutz
Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Frank Moore
Jack Watson

Re: Conflict of Interest Standards

THE WHITE HOUSE
WASHINGTON

April 22, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BOB LIPSHUTZ
STU EIZENSTAT

af
Shu

SUBJECT:

Conflict of Interest Standards

This memorandum seeks your guidance as to how we should proceed to strengthen conflict of interest controls for policy-making officials, beyond the Presidential appointees*/ covered by the Policy Statement you issued January 4, 1977. The memorandum was prepared by a task force working under our supervision, composed of representatives from our staffs, OMB, the Vice President's staff, Frank Moore's staff, the Justice Department, and John Moore.

If you approve the concept of conflict of interest legislation considered in this memorandum, we will draft a Message to the Congress on Ethics in Government, to be submitted prior to Senate hearings on Ethics-in-Government legislation scheduled for the first week of May. The Message will also cover the Special Prosecutor issue, which will be considered at the Senate hearings and is discussed in a separate memorandum from the Attorney General now on its way to you.

I. FINANCIAL DISCLOSURE

When your January 4 Statement was issued, it was announced that an executive order would be promulgated requiring policy making officials to disclose publicly their financial interests. Such an order was drafted by John Moore, in consultation with several executive agencies and with key congressional staff. In addition, an opinion was sought from the Attorney General; he advised that the Privacy Act of 1974 forbids any agency other than the White House from publicly disclosing personal information in its possession, such as personal financial data about agency employees.

*/ Ham and Bob are planning to request agency heads to require their political appointees to meet similar standards.

In light of the Attorney General's opinion, we see no way to require financial disclosure by career officials except through legislation. Unless you disapprove, we will proceed to discuss the technical questions about framing financial disclosure provisions with congressional staff persons, to determine whether it is necessary to submit our own bill or simply endorse the Committee's disclosure provisions.

Approve Proceeding by Legislation ☒ Disapprove ☐

Comment _____

II. AN OFFICE OF ETHICS IN THE CIVIL SERVICE COMMISSION

The General Accounting Office has issued a series of reports severely criticizing the Civil Service Commission and many individual agencies for lax administration of existing conflict of interest requirements. The root of the problem, the GAO found, is that conflict of interest standards are now "managed on an ad hoc basis with limited support and insufficient resources." CSC has only one individual assigned to conflict of interest administration.

To remedy the problem, GAO's principal recommendation is to "establish an executive branch Office of Ethics with adequate resources to address the problems of enforcement and compliance." We concur.

The Counsel to the President and his staff perform many of the tasks incident to these functions regarding the approximately 500 Presidential appointees to full-time positions. But there are 13,000 individuals in ranks GS-16-18, whom we expect to be covered by legislated public disclosure obligations. There are over 220,000 individuals in ranks GS-13 and above, many of whom are now and would remain obligated by Executive Order to file financial statements in confidence. A more substantial entity is needed to oversee ethics administration for that many people. OMB has estimated that such an Office would require 22 employees and an annual budget of approximately \$850,000.

A new Office of Ethics could be established within the Executive Office of the President or within CSC. Although the CSC has not had a strong reputation in the ethics area,

we believe that can be changed with strong Presidential direction. If the Office were placed in the EOP, your efforts to streamline EOP would suffer, and the administration of ethics might be viewed as politicized. Common Cause and the Senate Committee would also prefer using CSC.*

Legislation could be drafted giving the Office visibility and prestige by having its administrator made a Presidential appointee and by changing the name of the entire agency to the "Commission on Civil Service and Government Ethics." In addition to its conflict of interest responsibility, the Office could oversee administration of other ethics standards, such as Hatch Act requirements and the requirement you have decided to impose that high officials log outside contacts.

Decision:

1. An Office of Ethics within EOP. _____
2. An Office of Ethics in CSC (Recommended). _____
3. No office _____

Comment _____

III. POST-EMPLOYMENT RESTRICTIONS

Your January 4 Policy Statement strengthens current statutory restrictions on post-federal service activities in the following respects:

1. Expands existing restrictions by:
 - a. including informal as well as formal contacts in the prohibition against an official appearing before his former agency in matters that were under his official responsibility; and
 - b. expanding the prohibition from one year to two years.

* John Moore would prefer to have the Office temporarily located in the EOP, to assure that it has a strong start, before being moved to CSC.

2. Adds a new restriction on appointees prohibiting them from receiving compensation or financial gain for any formal or informal contact with their former agency for a period of one year after leaving federal service.

We recommend that you support legislation to incorporate equivalent changes in the federal code.

Approve ✓

Disapprove _____

In addition to the above provisions, an additional requirement could be designed to encourage term appointees to serve out their term. Such a provision would impose all post-employment restrictions for four years, or the unexpired term of a person's office, whichever is less in a given case. We do not recommend this course for the following reasons:

1. for the high-level appointees to whom such a requirement would apply, the pledge you are already requiring should be adequate to assure that terms are served fully.
2. There are honorable reasons for officials to resign from government--e.g., health, policy differences, family pressures--and it seems unsound to add criminal and economic sanctions to the moral and social pressure generated by the existing personal pledges.

Decision:

1. Approve increasing post-federal service restrictions for term appointees who fail to serve their full terms _____
2. Disapprove (Recommended) ✓

THE WHITE HOUSE

WASHINGTON

April 23, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack*
SUBJECT: CONFLICT OF INTEREST MEMORANDUM
FROM BOB LIFSHUTZ & STU EIZENSTAT

I concur with Bob's and Stu's recommendations, particularly with respect to locating a new "ethics" agency in the Civil Service Commission. I would add that Alan Campbell and Jule Sugarman would be strong proponents of the idea and I think good enforcers of a strong ethics program.

THE WHITE HOUSE
WASHINGTON

Date: April 22, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Midge Costanza
Hamilton Jordan *nc*
Frank Moore
Jody Powell
Jack Watson *attached*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bob Lipshutz/Stu Eizenstat memo 4/22/77 re
Conflict of Interest Standards.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 2:00 P.M.

DAY: Sunday

DATE: March 24, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: April 22, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Midge Costanza
Hamilton Jordan
Frank Moore
Jody Powell
Jack Watson ✓

FOR INFORMATION:

1977 APR 22 PM 2 09

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TIME: 2:00 P.M.

DAY: Sunday

DATE: March 24, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

Please see attached.

4/23

1:30 pm

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Hamilton Jordan
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TIME: 2:00 P.M.

DAY: Sunday

DATE: March 24, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

Please note other comments below:

☒ No comment.

22

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Date: April 22, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Midge Costanza
Hamilton Jordan
Frank Moore
Jody Powell
Jack Watson

FOR INFORMATION:

TO JEM

FROM: Rick Hutcheson, Staff Secretary

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TIME: 2:00 P.M.

DAY: Sunday

DATE: March 24, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

Attached

*Frank - reviewed after
the deadline
file*

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THE WHITE HOUSE

WASHINGTON

April 23, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: JOE MITCHELL
THROUGH: FRANK MOORE
SUBJECT: Conflict of Interest Standards

The 1965 Executive Order on Conflicts of Interest delegated authority to the Civil Service Commission to make the system work. During the past two years, nineteen General Accounting Office reports have documented that lax ethical standards and enforcement are pervasive throughout the Executive branch. The GAO has condemned the CSC's record. Until the GAO probes began, the CSC did not have a single employee with full-time responsibility to oversee the ethical conduct of several million government employees and the 80,000 financial disclosure statements which are filed. The CSC now has only one employee with full-time ethics responsibility. The GAO found that the CSC has "neither studied the overall disclosure system nor established a system of data collection and follow-up to guarantee agency compliance."

Even with new leadership and Presidential commitment, the CSC's dismal record in ethical matters, along with its generally low credibility, would greatly handicap any new conflicts responsibility placed with the Commission. I strongly concur with John Moore's recommendation that the ethics office be placed within the EOP for one to two years to assure that it has a good start. If it were appropriate, the office could later be shifted to the CSC.

If it is decided that the ethics office be placed at the CSC, I recommend that three additional steps be taken to give the office the visibility and credibility it must have if this ethics initiative is to avoid the widespread failures of the 1965 Executive Order. First, the office should be headed by a high level Presidential appointee. Second, to demonstrate the President's commitment and determination to rid the Executive branch of conflicts of interest, the administrator should have the authority to report jointly to the CSC and the President. Merely explicitly giving the administrator the recourse

to report directly to the President would insure that such direct access would rarely be necessary. Third, I concur with Common Cause and the House and Senate Committees that it would be a serious error to have one office oversee conflicts of interest of high level Presidential appointees and another office oversee Civil Service employees.

- There is universal agreement that virtually all conflict of interest problems arise with Civil Service employees, not with major Presidential appointees. Yet if the oversight were split between two offices it is inevitable that public and press attention would focus on the visible Presidential appointees, where there is rarely a problem, and divert attention from Civil Service appointees, where conflicts generally arise.
- To split oversight responsibility between two offices would imply that the ethics office at the CSC was acceptable to review Civil Service employees but was either unable or untrustworthy to conduct the continuing review of high level Presidential appointees.
- The 1965 Executive Order gave the Civil Service Commission the responsibility to review the financial disclosure statements of agency heads. It would certainly diminish a new ethics office's credibility if this responsibility were removed.

There is no disagreement that the Counsel to the President should continue to screen potential Presidential appointees. After this initial resolution of any possible conflicts, subsequent reviews should be conducted in the same office which reviews Civil Service employees. The Counsel to the President would also continue to review the disclosure statements of the White House staff.

THE WHITE HOUSE
WASHINGTON

April 25, 1977

Secretary Blumenthal -

**The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.**

Rick Hutcheson

cc: Stu Eizenstat
Jack Watson
Z. Brzezinski

Re: Salary Levels in the
International Financial
Institution (IFIs)

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack* April 23, 1977
RE: Salary Levels in the International
Financial Institutions (IFIs)

The attached memorandum from Mike Blumenthal is in response to your inquiry at the last Cabinet meeting regarding salary levels in the International Financial Institutions.

Attachment

**Electrostatic Copy Made
for Preservation Purposes**



THE SECRETARY OF THE TREASURY
WASHINGTON

APR 20 1977

1977 APR 20 PM 5 05

FYI

Mike -
I agree with the
Congress J

MEMORANDUM FOR THE PRESIDENT

Subject: Salary Levels in the International Financial
Institutions (IFIs)

High staff salaries in the IFIs (particularly the Washington-based IMF and World Bank) have been a continuing source of Congressional criticism and thus have weakened our efforts to participate in these institutions on a major scale. Over the years, the U.S. has sought to moderate IFI salary increases, but with mixed success. Last year's salary review was particularly confrontational and left a feeling of bitterness and frustration on all sides. This year, I have worked with the managements of the two institutions at an early stage of the review process in an effort to reach a reasonable compromise without inflaming the debate unnecessarily.

The settlement we have reached:

1. provides for no general increase for the highest-paid employees, although merit increases will be permitted (the U.S. fought for and lost such a cut-off last year);
2. limits general salary increases for other employees to the Washington cost of living increase (6.8 percent); and
3. limits increases in staff benefits to a few minor changes.

As part of the agreement, we are seeking to eliminate existing U.S. visa restrictions on employment of dependents of non-U.S. staff. These restrictions are a major irritant and are used as an argument for extravagant staff demands, including special expatriation allowances for non-U.S. staff.

**Electrostatic Copy Made
for Preservation Purposes**

A committee of the IMF/IBRD Executive Directors and outside experts is being established to consider basic issues relating to IFI salaries and benefits. We will press hard for agreement on guidelines that will call for moderation on IFI staff salaries, and I hope we will be able to keep down this source of Congressional criticism.

Mike

W. Michael Blumenthal

IMF and IBRD Salaries

The attached table gives salary ranges for the IMF and IBRD following adjustments pursuant to the latest salary review, which were retroactive to March 1, 1977.

International Monetary Fund (IMF)
The World Bank (IBRD/IDA/IFC)
Professional Net and Gross Equivalent Salaries
(in U.S. dollars)

IMF Level	IBRD Level	Net Salaries ^{1/} ^{2/}		Gross Taxable ^{3/} Equivalent Salaries	
		Minimum	Maximum	Minimum	Maximum
		\$	\$	\$	\$
Managing Director	President				
Deputy Managing Director	Senior Vice President		60,000		116,050
Executive Director	Executive Director		58,030		106,950
Alternate Executive Director	Alternate Executive Director		47,605		83,830
			37,658		61,730
Professionals					
M	Q (Vice Presidents)	45,900	53,670	80,050	97,320
L	P	41,980	50,200	71,320	89,590
K	O	40,420	48,810	67,840	86,510
J	N	35,320	43,610	56,310	74,950
I	M	29,980	38,930	44,980	64,550
H	L	25,130	34,360	35,530	54,390
G	K	20,650	29,210	27,320	43,440
F	J	16,630	24,320	20,890	33,940
Non Professionals ^{4/}					
E	H	13,680	19,810	18,750	30,450
--	I	12,540	19,810	16,880	30,450
D	G	11,920	17,620	15,900	25,950
C	E	10,530	15,540	13,740	22,030
--	F	9,150	15,540	11,730	22,030
B	D	9,150	13,680	11,730	18,750
--	C	8,530	12,360	10,850	16,600
A	B	7,800	11,450	9,810	15,150
--	A	7,800	10,070	9,810	13,060

- ^{1/} Ranges after last salary adjustment, March 1, 1977. Salary paid to non-U.S. citizens; non-U.S. citizens are not liable for U.S. Federal and State income taxes on their Bank salaries. Salaries for ED's became effective after the Board of Governors vote in November 1976.
- ^{2/} Salary also includes dependency allowance consisting of (1) for spouse - \$530 plus 1½% of salary over \$10,000, (2) for each child - \$420. For presentation purposes we have assumed a spouse and two children.
- ^{3/} Salary paid U.S. citizens with a spouse, two dependents, and D.C. residence. The net salary is "grossed up" by IBRD using standard deductions, to cover Federal and State income taxes and to partially cover social security taxes.
- ^{4/} Assuming D.C. residence, 1 exemption, standard deductions and no dependency allowances.

THE WHITE HOUSE
WASHINGTON

April 25, 1977

Z. Brzezinski
Tim Kraft

The attached was returned in
the President's outbox. It is
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handling.

Rick Hutcheson

cc: The Vice President
Stu Eizenstat
Jack Watson
Robert Strauss

Re: Consulting with Latin Americans
in Advance of Your Decision on
Sugar

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

INFORMATION

23 April 1977

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON

SUBJECT:

Staff Comments on Attached Brzezinski
Memorandum, "Consulting with Latin
Americans in Advance of your Decision
on Sugar"

Jack, Stu, and Strauss concur with Brzezinski.

Tim Kraft's office advises that your schedule is very full prior to your Europe trip, and proposes that Strauss meet with the Latin American representatives instead of the President.

☒ agree to meeting ☐ have Strauss hold meeting
instead of the President

STR suggests that if you agree to Brzezinski's recommendation, that Strauss participate in the meeting.

☒ let Strauss participate

STR suggests that Columbia and Brazil be invited to the meeting, as well as the countries recommended by Brzezinski (State concurs, according to STR).

Stu points out that several countries (Guatemala, Peru, Nicaragua, El Salvador, Panama, Argentina and Columbia) all supply a larger share of U.S. sugar imports than Costa Rica. However, Stu says he will defer to Brzezinski's choice of countries to participate.

☐ agree to Brzezinski's choice of countries to participate

☒ other countries should be added

**Electrostatic Copy Made
for Preservation Purposes**


THE WHITE HOUSE

WASHINGTON

April 21, 1977

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI 

SUBJECT: Consulting with Latin Americans in Advance
of Your Decision on Sugar

In your Pan American Day speech, you promised the Latin Americans that you would consult with them in advance of making decisions which will have a major impact on their countries. There are few issues which will have a greater impact on Latin America than your decision on sugar.

Approximately two-thirds of our sugar imports come from Latin America, and many countries are heavily dependent on it as their sole or main source of export earnings. For example:

<u>Country</u>	<u>Sugar as Percent of Total Exports</u>
Dominican Republic	65%
Costa Rica	25
Peru	23
Jamaica	20
Panama	20
Guatemala	18

Let me recommend that you invite the Ambassadors from Costa Rica, the Dominican Republic, and Jamaica to a brief 15 minute discussion of this issue.

U.S. Presidents have been promising to consult with Latins in advance of major decision for a very long time, but to the best of my knowledge, you would become the first President to carry through with this promise.

The gesture would demonstrate your sincerity in a way that the Latins would clearly welcome. If you decided to increase the tariff, the meeting would at least take the sting out of your decision. If you decided in favor of income support payments to domestic producers and therefore delayed or rejected an increase in the tariff, the Latin Americans would doubtless be heartened to hear your decision.

RECOMMENDATION

That you agree to meet with these three Ambassadors for a short meeting before making your decision on sugar imports.

Approve _____ Disapprove _____

THE WHITE HOUSE
WASHINGTON

Date: April 21, 1977

MEMORANDUM

FOR ACTION:

Robert Strauss - *concur, plus Policy - Colombia*
Tim Kraft *+ maybe invite Strauss to such*
a city

FOR INFORMATION:

attached
Stu Eizenstat
Jack Watson *concur*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Zbigniew Brzezinski memo 4/21/77 re Consulting
with Latin Americans in Advance of Your Decision
on Sugar.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 3:00 P.M.

DAY: Saturday

DATE: April 23, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required
material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

April 21, 1977

ACTION

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The gesture would demonstrate your sincerity in a way that the Latins would clearly welcome. If you decided to increase the tariff, the meeting would at least take the sting out of your decision. If you decided in favor of income support payments to domestic producers and therefore delayed or rejected an increase in the tariff, the Latin Americans would doubtless be heartened to hear your decision.

RECOMMENDATION

That you agree to meet with these three Ambassadors for a short meeting before making your decision on sugar imports.

Approve _____ Disapprove _____

THE WHITE HOUSE
WASHINGTON

To: Bill Simon
From: Tim Smith
Re: Proposed mtg. with Latin American
Ambs. on sugar
rather than the Pres.

I think TK would recommend that Strauss see the ambassadors. The meeting would be difficult to keep to 15 mins, and there is a potential precedential problem.

In any event, I know he would recommend that any such meeting be after the European trip. The President's schedule prior to then is very full.

TGS

THE WHITE HOUSE

WASHINGTON

April 23, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*
LYNN DAFT
BOB GINSBURG

SUBJECT: Zbigniew Brzezinski memo re:
Consulting with Latin American
Countries in Advance of Sugar
Decision

We strongly endorse Zbig's suggestion that you consult with representative Latin American countries in advance of your making a decision on sugar policy. Given the strong support in the EPG for a nonrestrictive policy, the chances are good these countries will be pleased with your ultimate decision.

In making arrangements for such consultation, the following points might be considered:

Timing. Analysis of the policy options has just been completed. A decision by about May 1, after Bob Strauss returns from abroad and prior to the London summit, would be desirable. Consultation with Latin American representatives should therefore occur as soon as possible.

Participation. We defer to Zbig the choice of countries to be represented at the consultation. We would note, however, that there are several Latin American countries that supply a larger share of U.S. sugar imports than Costa Rica (1.4%), including Guatemala (7%), Peru (7%), Nicaragua (4%), El Salvador (3%), Panama (2%), Argentina (2%), and Columbia (2%).

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

April 22, 1977

MEMORANDUM TO

Mr. Rick Hutcheson
Staff Secretary

FROM: William B. Kelly, Jr. *W.B.K.*
Acting Special Trade Representative

SUBJECT: Zbigniew Brzezinski Memorandum, April 21,
1977, on Consulting with Latin Americans
in Advance of President Carter's Decision
on Sugar

I concur in Brzezinski's recommendation that the President consult personally with a few Latin American countries before announcing his decision on sugar. Such a brief talk should contribute to good international relations.

I suggest that, in addition to the Ambassadors from Costa Rica, the Dominican Republic, and Jamaica, the President may also wish to call in the Ambassadors from Brazil and Colombia.

The Department of State has recommended to my staff that these two countries be included. Brazil is a very large producer and, though it shipped no sugar to the United States in 1976, it has been a large U.S. supplier and could again become one. Colombia is a traditional producer and U.S. supplier. These countries would round out the geographical representation of the South American Ambassadors visiting the President.

The President may want to invite Ambassador Strauss to such a meeting because of his recommendations to the President on this issue.

WASHINGTON
Date: April 21, 1977

MEMORANDUM

FOR ACTION:

Robert Strauss
Tim Kraft

appt. sec.

FOR INFORMATION: Stu Eizenstat
Jack Watson

*Rec'd by hand 4-21
orig w/RS
Seastrum*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Zbigniew Brzezinski memo 4/21/77 re Consulting
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ACTION REQUESTED:

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Other:

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☐ No comment.

Please note other comments below:

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Date: April 21, 1977

MEMORANDUM

FOR ACTION:

Robert Strauss
Tim Kraft

FOR INFORMATION: Stu Eizenstat
Jack Watson

1977 APR 21 PM 4 27

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☐ No comment.

Please note other comments below:

Jack Watson

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Date: April 21, 1977

MEMORANDUM

FOR ACTION:

Robert Strauss
Tim Kraft

FOR INFORMATION: Stu Eizenstat
Jack Watson

FYI

xc Cap
Dolt
Ginsburg
Rubenstein

FROM: Rick Hutcheson, Staff Secretary

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THE WHITE HOUSE
WASHINGTON

April 25, 1977

Stu Eizenstat
Jack Watson
Peter Bourne

The attached was returned in
the President's outbox and is
forwarded to you for your
information and appropriate
action.

Rick Hutcheson

Re: Proposed Change in Health
Message

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 23, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Proposed Change in Health Message

After consulting with Secretary Califano and with the approval of Jim Parham, we did not include in the health message the paragraph proposed by Parham and Jack Watson suggesting that hospital cost containment would be followed by restraints on other sectors of the health industry. I was concerned that such a paragraph would not mollify the hospitals, but would simply arouse the American Medical Association to devote more resources to opposing the hospital cost containment legislation.

It would have been a red flag to doctors that they were next in line for cost containment. Everyone agreed with this.

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

April 25, 1977

Bert Lance -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jack Watson
Stu Eizenstat

Re: Regional Hearings on FY 79
Budget

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

*Doubt advisability
OMB opinion?*
J

MEMORANDUM FOR: Bert Lance

FROM:

Jack Watson *Jack*

April 23, 1977

SUBJECT:

Regional Hearings on FY 79 Budget

I have a suggestion that I would like you to consider-- holding some regional hearings on the FY 79 budget. It has never been done before and would offer the following advantages:

1. There is no forum, except Congressional Committees, in which "the public" can comment on overall national spending priorities.

2. The various field hearings by specific agencies (e.g., HUD, DOT, HEW) are geared toward specific subjects in their respective jurisdictions and, therefore, attract correspondingly targetted responses. I think it would be useful not only to gather public reaction to general spending choices, but for us to use the hearings as a public education opportunity.

3. It would give OMB, usually viewed as a "closed" operation and one that the public knows very little about, a chance to demonstrate how it serves the President.

4. In general, it would provide the President with another forum on "going to the people" to show that all decisions are not made in Washington.

The following are some ideas about how we might structure the hearings:

1. Sponsorship.

The hearings would be sponsored by OMB on behalf of the President. The preparation, arrangements, etc., would be carried out by OMB with assistance, as necessary, from the White House staff.

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2. Structure.

The hearings might take place at representative geographic locations in an appropriate "public" oriented setting such as school auditoriums rather than federal office buildings. Moreover, they would not occur just in state capitals or large cities. They might be scheduled for one entire day and consist of testimony by regional and local "expert" witnesses as well as from the general public. We could limit the amount of testimony by state and local elected officials since they often get the chance in Washington before Congressional committees.

3. Chairing of the Hearings.

At least one regional hearing might be chaired by the President for a period of time--perhaps two or three hours. The rest of the hearings could either be chaired by you (or Jim McIntyre and Bo Cutter), or we might ask Charlie Schultze and Mike Blumenthal to participate.

4. Subjects.

The federal budget could be grouped as to categories with each regional hearing focused on a general category rather than on the whole budget.

- a. Energy, natural resources, environment
- b. Human resources--income security, health, general education
- c. Jobs--manpower, training, business oriented job programs
- d. Physical development--housing, transportation, community development
- e. Science, space, defense.

5. Geographic Location.

There should be some attempt to match location with budget categories. For example:

- a. Energy, environment, etc.--Southwest, West, Northwest
- b. Human resources--Northeast, South
- c. Jobs--Midwest, Northeast
- d. Physical development--South or Northeast
- e. Science, space, defense--Northwest, West.

THE WHITE HOUSE
WASHINGTON

April 25, 1977

Hamilton Jordan -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim King

Re: Assistant Secretary for Health
HEW - Dr. Julius B. Richmond



THE PRESIDENT HAS SEEN.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

9

April 22, 1977

MEMORANDUM FOR THE PRESIDENT

For deeply personal reasons, Dr. Christopher Fordham has asked that I withdraw my March 8 recommendation of his appointment as Assistant Secretary for Health. In its place, I now recommend that you appoint Dr. Julius B. Richmond, M.D., professor of Child Psychiatry and Human Development and Chairman of the Department of Preventive and Social Medicine at Harvard Medical School.

While Dr. Richmond was the runner-up in our initial search, I have come to believe that he would be even more effective than Dr. Fordham as Assistant Secretary. Age 61, Dr. Richmond was born in Chicago, and trained at the University of Illinois Medical School. During his distinguished career, he has been a professor of Pediatrics at the University of Illinois; chairman of the Department of Pediatrics, and Dean of the Medical Faculty at the State University of New York at Syracuse; first national director of Project Head Start; and organizer of the OEO Neighborhood Health Centers Program. Since coming to the Harvard Medical School, Dr. Richmond has also served as a member of the faculty of the Harvard School of Public Health, psychiatrist-in-chief of Children's Hospital Medical Center, and director of the Judge Baker Guidance Center. In addition, Dr. Richmond is currently a member of Mrs. Carter's National Commission on Mental Health.

In our earlier consideration of Dr. Richmond, we talked about him with some two dozen scientists, medical school deans, and authorities in preventive medicine and public health. Almost all of them gave Dr. Richmond very high marks in terms of his leadership ability, social motivation, and blending of the intellectual and practical. We believe that he has both the professional stature and personal strength to be a first-rate Assistant Secretary.

Among those persons who highly recommend Dr. Richmond are Sargent Shriver; John Knowles, president of the Rockefeller Foundation; David Hamburg, president of the Institute of Medicine (National Academy of Sciences); Phillip Lee, former Assistant Secretary for Health; David Rogers, president of the Johnson Foundation, and Daniel

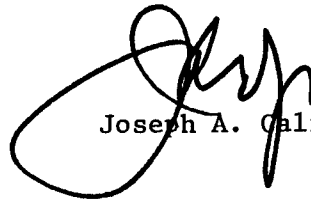
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for Preservation Purposes**

The President - Page Two

Tosteson, the newly appointed dean of the Harvard Medical School. Peter Bourne, with whom we consulted, considers Richmond "absolutely outstanding."

We have checked with the appropriate people on the Hill. Senator Kennedy prefers Dr. Richmond over Dr. Fordham and enthusiastically supports him. Paul Rogers approves of Dr. Richmond. While Senator Talmadge does not know him, he said his reputation was excellent and he would support any choice I recommended. Tip O'Neill does not know him personally but is delighted that I am recommending "a Bostonian from Harvard Medical School." Attached is Dr. Richmond's resume.

I recommend you approve Dr. Richmond for this position.


Joseph A. Califano, Jr.

Attachment

Approve ✓ Disapprove

C
/

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for Preservation Purposes**

DR. JULIUS B. RICHMOND

Office: Judge Baker Guidance
Center 6/7-232-8390
Home: 617-739-1865

Born: Chicago, Illinois
September 26, 1916

Education: University of Illinois - B.S., 1937
M.S., M.D., 1939

Experience:

1971 - Professor, Child Psychiatry and Human Development
Present Professor, Chairman, Department of Preventive and
Social Medicine
Harvard Medical School

Faculty, Harvard School of Public Health

Psychiatrist-in-Chief
Children's Hospital Medical Center, Boston

Director, Judge Baker Guidance Center
Boston

1965 - Dean, Medical Faculty, Chairman
1970 Department of Pediatrics
State University of New York at Syracuse

1953 - Professor, Chairman
1965 Department of Pediatrics, College of Medicine
State University of New York at Syracuse

1952 - Director
1953 Institute of Juvenile Research

1950 - Professor of Pediatrics
1953 University of Illinois Medical School
Chicago, Illinois

DR. JULIUS B. RICHMOND

1946 - Member of faculty
1952 University of Illinois Medical School
Chicago, Illinois

1941 - Resident
Municipal Contagious Disease Hospital
Chicago, Illinois

1941 - Resident
1942 Cook County Hospital
1946 Chicago, Illinois

1939 - Intern
1941 Cook County Hospital
Chicago, Illinois

Professional Activities:

National Director, Project Head Start
Director, Office Health Affairs, OEO, 1965-1966

Military:

Served to the flight surgeon, USAAF, 1942-1946

Awards:

Recipient, Agnes Bruce Greig School Award, 1966
C. Anderson Aldrich Award, American Academy of Pediatrics, 1966
Parents Magazine Award, 1966
Distinguished Service Award, OEO, 1967
Martha May Eliot Award, American Public Health Association, 1970
Fellow, American Orthopsychiatry Association
Honorary Member, American Academy of Child Psychiatry
Associate Member, New England Council of Child Psychiatry
Member, Institute of Medicine of National Academy of Sciences
American Medical Association
American Pediatric Society
Society of Pediatric Research
American Psychosomatic Society
American Public Health Association
Sigma Xi
Alpha Omega Alpha
Phi Eta Sigma

Author: Pediatric Diagnosis, 1962
Currents in American Medicine, 1969

THE WHITE HOUSE

WASHINGTON

Mr. President:

Jack concurs with Lance.

Stu comments: "Our information indicates that the increased bed level may not be necessary on program grounds. It may be contrary to a policy of reducing the use of veterans hospitals by veterans with non-service connected needs. The primary impetus for the change appears to be the strong advocacy of Senator McClellan. OMB has managed to reduce the size of the request by deleting 30 beds from renovations being done at the North Little Rock Veterans Hospital, a separate facility. If the request is approved, Frank would like to inform Senator McClellan before the information is made public."

(Note: Sen. McClellan would like to know your decision on this before he goes back home on Wednesday.)

Rick

THE WHITE HOUSE
WASHINGTON

ACTION
FYI

cc Bob Thompson
cong. liaison
Note: Bob Thompson will notify
Sen. McClellan

<input checked="" type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input checked="" type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HOYT
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input checked="" type="checkbox"/>	LANCE
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	B. RAINWATER
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	SCHULTZE
<input type="checkbox"/>	SIEGEL
<input type="checkbox"/>	SMITH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	WELLS
<input type="checkbox"/>	VOORDE

THE WHITE HOUSE
WASHINGTON

April 25, 1977

The Vice President
Frank Moore
Bert Lance
Bob Thompson

The attached was returned in
the President's outbox and is forwarded
to you for your information.

Bob Thompson will notify Senator
McClellan.

Rick Hutcheson

Re: Authorization of Bed Level for
Little Rock, Arkansas VA
Hospital

cc Mr. Egan



THE PRESIDENT HAS SEEN.
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 14 1977

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance

SUBJECT:

Authorization of Bed Level
for Little Rock, Arkansas,
Veterans Administration
Replacement Hospital

I. BACKGROUND

This memorandum requests your authorization of an increased bed level for the Veterans Administration hospital replacement complex in Little Rock, Arkansas. This project was announced by President Gerald Ford on May 11, 1976, and initial bed levels were approved by him on January 10, 1977, so that design of the project could proceed with available 1977 funds. Administrator of Veterans Affairs Max Cleland has determined that the original bed level is insufficient, and is requesting an increase. Under 38 U.S.C. 5001, bed levels for VA hospitals can only be established or changed by the President.

The Veterans Administration has requested authorization of an additional \$10.2 million for the construction of 75 additional beds at the proposed new Little Rock hospital, to be built at the University of Arkansas Medical Center. With the increase, the new facility would cost \$125.8 million and would contain 535 beds: 475 medical-surgical, 30 psychiatric, and 30 neurological. The Veterans Administration also has approval for extensive renovation of the North Little Rock Veterans Hospital, which would be decreased by the 30 neurological beds now proposed for the new facility. Thus, the total Little Rock complex would increase by 45 beds to 1,585 beds, 535 at the new facility and 1,050 at North Little Rock.

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If you approve the increase, the total Little Rock replacement complex would have 100 fewer beds than the current complex. This decrease is consistent with national efforts to avoid building or maintaining unnecessary hospital beds.

II. RECOMMENDATION

We recommend that you authorize the bed level and funding requested by the Veterans Administration for the Little Rock hospital complex; and that the Veterans Administration be directed to make every effort to keep the project costs within the approved total. In keeping with the construction schedule, final construction funding for this project will be proposed in your 1979 budget.

Approve



Disapprove

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

Date: April 22, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *attached*
Jack Watson *concur*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 4/14/77 re Authorizaiton of Bed Level
for Little Rock, Arkansas, Veterans Administration
Replacement Hospital.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 10:00 A.M.

DAY: Monday

DATE: April 25, 1977

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur. ☐ No comment.
Please note other comments below:

must go in Monday

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

*Bad Level for
Little Rock,
Arkansas*

ACTION	FYI
	MONDALE
	COSTANZA
X	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
X	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

Date: April 22, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Jack Watson✓

FOR INFORMATION:

1977 APR 22 AM 10 07

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 4/14/77 re Authorizaiton of Bed Level
for Little Rock, Arkansas, Veterans Administration
Replacement Hospital.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 10:00 A.M.

DAY: Monday

DATE: April 25, 1977

ACTION REQUESTED:

☒ Your comments

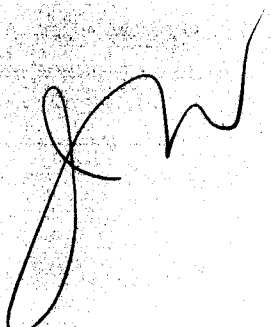
Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 14 1977

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance *Bla*

SUBJECT:

Authorization of Bed Level
for Little Rock, Arkansas,
Veterans Administration
Replacement Hospital

I. BACKGROUND

This memorandum requests your authorization of an increased bed level for the Veterans Administration hospital replacement complex in Little Rock, Arkansas. This project was announced by President Gerald Ford on May 11, 1976, and initial bed levels were approved by him on January 10, 1977, so that design of the project could proceed with available 1977 funds. Administrator of Veterans Affairs Max Cleland has determined that the original bed level is insufficient, and is requesting an increase. Under 38 U.S.C. 5001, bed levels for VA hospitals can only be established or changed by the President.

The Veterans Administration has requested authorization of an additional \$10.2 million for the construction of 75 additional beds at the proposed new Little Rock hospital, to be built at the University of Arkansas Medical Center. With the increase, the new facility would cost \$125.8 million and would contain 535 beds: 475 medical-surgical, 30 psychiatric, and 30 neurological. The Veterans Administration also has approval for extensive renovation of the North Little Rock Veterans Hospital, which would be decreased by the 30 neurological beds now proposed for the new facility. Thus, the total Little Rock complex would increase by 45 beds to 1,585 beds, 535 at the new facility and 1,050 at North Little Rock.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 14 1977

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance *Bla*

SUBJECT:

Authorization of Bed Level
for Little Rock, Arkansas,
Veterans Administration
Replacement Hospital

I. BACKGROUND

This memorandum requests your authorization of an increased bed level for the Veterans Administration hospital replacement complex in Little Rock, Arkansas. This project was announced by President Gerald Ford on May 11, 1976, and initial bed levels were approved by him on January 10, 1977, so that design of the project could proceed with available 1977 funds. Administrator of Veterans Affairs Max Cleland has determined that the original bed level is insufficient, and is requesting an increase. Under 38 U.S.C. 5001, bed levels for VA hospitals can only be established or changed by the President.

The Veterans Administration has requested authorization of an additional \$10.2 million for the construction of 75 additional beds at the proposed new Little Rock hospital, to be built at the University of Arkansas Medical Center. With the increase, the new facility would cost \$125.8 million and would contain 535 beds: 475 medical-surgical, 30 psychiatric, and 30 neurological. The Veterans Administration also has approval for extensive renovation of the North Little Rock Veterans Hospital, which would be decreased by the 30 neurological beds now proposed for the new facility. Thus, the total Little Rock complex would increase by 45 beds to 1,585 beds, 535 at the new facility and 1,050 at North Little Rock.

If you approve the increase, the total Little Rock replacement complex would have 100 fewer beds than the current complex. This decrease is consistent with national efforts to avoid building or maintaining unnecessary hospital beds.

II. RECOMMENDATION

We recommend that you authorize the bed level and funding requested by the Veterans Administration for the Little Rock hospital complex; and that the Veterans Administration be directed to make every effort to keep the project costs within the approved total. In keeping with the construction schedule, final construction funding for this project will be proposed in your 1979 budget.

Approve _____ Disapprove _____

THE WHITE HOUSE

WASHINGTON

April 25, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*
FRANK RAINES

SUBJECT:

OMB Memo on Little Rock Veterans
Hospital

The OMB memorandum requests your authorization of an increase in the number of beds at a hospital complex in Little Rock. By statute your authorization is necessary to change the bed levels at VA hospitals.

Our information indicates that the increased bed level may not be necessary on program grounds. It may be contrary to a policy of reducing the use of veterans hospitals by veterans with non-service connected needs. The primary impetus for the change appears to be the strong advocacy of Senator McClellan.

OMB has managed to reduce the size of the request by deleting 30 beds from renovations being done at the North Little Rock Veterans Hospital, a separate facility.

If the request is approved the Congressional Liaison office has indicated that it would like to inform Senator McClellan before the information is made public.

THE WHITE HOUSE
WASHINGTON

Date: April 25, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Califano memo 4/16 re Appointment of Charles Ruff
as Deputy Inspector General.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 9:00 A.M.

DAY: Wednesday

DATE: April 28, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

CONFIDENTIAL NOTE TO HAMILTON:

This was stuck in the middle
of the Cabinet summaries which
Jack transmits to the President
every weekend.

Rick



APR 16 1977

MEMORANDUM FOR THE PRESIDENT

I plan to appoint Mr. Charles Ruff Deputy Inspector General.

Mr. Ruff is currently the Watergate Prosecutor and Associate Professor at the Georgetown University School of Law. Mr. Ruff brings significant experience and expertise to this position. As a law school professor he specializes in the area of criminal law and criminal procedure. As a prosecutor and prosecutorial administrator he brings a great deal of expertise in the area of white collar crime. He has been Acting Chief Inspector, Drug Enforcement Administration; Chief, Management and Labor Section, Criminal Division of the Justice Department; and trial attorney, Organized Crime and Racketeering Section, Criminal Division of the Justice Department.

In the effort to find the Deputy Inspector General, we considered a large number of highly qualified candidates and sought the opinions of leading prosecutors and scholars around the country. Mr. Ruff was widely praised for his administrative skills and his prosecutorial ability and sensitivity. Although Mr. Ruff is confined to a wheel chair, he is extremely vigorous and his condition will not prevent him from traveling or from performing all the tasks of this demanding position. No objections were raised to Mr. Ruff.

We have sought reactions to Mr. Ruff's appointment from appropriate members of Congress. Senators Talmadge, Jackson, Randolph and Pell raised no objection to Mr. Ruff's appointment. Congressmen Jack Brooks and Perkins support Mr. Ruff's appointment. Among other members of Congress consulted were Congressmen Fountain and Brademas. No objections were raised.

The highlights of his career are:

- 1960 - A.B. Swarthmore College
- 1963 - LLB. Columbia Law School, where he was a Harlan Fiske Stone Scholar
- 1963-1965 - Instructor, Louis Arthur Grimes School of Law, University of Liberia, Monrovia, Liberia
- 1966-1967 - Instructor, University of Pennsylvania Law School
- 1967-1970 - Trial Attorney, Organized Crime and Racketeering Section, Criminal Division, U.S. Department of Justice
- 1970-1972 - Chief, Management and Labor Section, Criminal Division, U.S. Department of Justice
- 1973 TO PRESENT - Associate Professor, Georgetown University Law Center
- 1973-1975 - Assistant Special Prosecutor, Watergate Special Prosecution Force
- June 30, 1975 -
October 16, 1975: Acting Chief Inspector, Drug Enforcement Administration
- October 17, 1975
TO PRESENT: Special Prosecutor, Watergate Special Prosecutor Force

A more detailed resume is attached.


Joseph A. Califano, Jr.

Attachment

CURRICULUM VITAE

CHARLES F. C. RUFF
3521 Ordway Street, N.W.
Washington, D.C. 20016

Telephone: home - 202-966-3521
business - 202-624-8334 (Georgetown)
202-739-5341 (Special Prosecutor)

Marital status: married; two children

Bar admissions: New York - 1963
District of Columbia - 1973
United States Supreme Court - 1969
United States Courts of Appeals - 2d, 4th, 5th,
6th, 9th, 10th and D.C. Circuits

Education:

Phillips Academy
Andover, Mass.
Graduated - 1956

Swarthmore College
Swarthmore, Pa.
A.B. - 1960

Columbia Law School
New York, New York
LLB. - 1963
Harlan Fiske Stone Scholar

Employment:

July 1, 1973 - present: Associate Professor, Georgetown University Law Center. Subjects - Criminal Procedure, Criminal Law, Contracts, Labor Law, Legal History, Criminal Justice Clinic, Juvenile Justice Clinic. Committees - Chairman, Clinical Review Committee; Chairman, Academic Honesty Committee; Academic Standards Committee.

During this period I also held the following part-time positions:

July 12, 1973 - June 29, 1975: Assistant Special Prosecutor, Watergate Special Prosecution Force.

June 30, 1975 - October 16, 1975: Acting Chief Inspector, Drug Enforcement Administration.

October 17, 1975 - present: Special Prosecutor, Watergate Special Prosecution Force

September 1, 1972 - June 30, 1973: Attorney/Professor,
Antioch School of Law.

April-May, 1973: Visiting Lecturer in Government,
Oberlin College.

May 1, 1970 - August 31, 1972: Chief, Management and Labor
Section, Criminal Division, United States Department of Justice.

May 1, 1967 - April 30, 1970: Trial Attorney, Organized
Crime & Racketeering Section, Criminal Division, U.S. Department
of Justice.

August 1, 1966 - April 30, 1967: Instructor in Legal Method,
University of Pennsylvania Law School.

January-July, 1966: Research Associate, African Law Center,
Columbia Law School.

December, 1963 - January, 1965: Instructor, Louis Arthur
Grimes School of Law, University of Liberia, Monrovia, Liberia.

Professional and Community Activities:

Member, Grand Jury Committee, Criminal Justice Section,
American Bar Association.

Member, Prosecutorial Function Committee, Criminal Justice
Section, American Bar Association.

Member, Judicial Conference of the District of Columbia
Circuit. Panelist, The Prosecutor and the Grand Jury, June, 1975.

Member, Governing Board, Beauvoir School; Chairman, Education
Committee.

Member, Alumni Board, Swarthmore College (1972-75).

Publications:

Editor, Liberian Law Journal (Vol. I, 1965).

Co-editor, African Law Journal (Vol. I, 1966).

"Welfare and Pension Plans: The Role of the Federal Pro-
secutor," 12 Santa Clara Lawyer 480 (1972).

"Discretion at Justice: The Making of Federal Law Enforce-
ment Policy," to be published in Georgetown Law Journal, April
or May, 1977.



APR 22 1977

MEMORANDUM FOR THE PRESIDENT

I plan to appoint Mr. David Tatel as the Director of the Office for Civil Rights, Mr. Wilburt Cheatham as Deputy Director of OCR for Program Review, and Ms. Cynthia Brown as Deputy Director of OCR for Compliance and Enforcement. The third deputy position, that of deputy/legal, is a career position which is currently in competition. I hope to announce the third deputy in mid-May.

Mr. Tatel is a blind attorney who specializes in civil rights law. He has been Director, Lawyer's Committee for Civil Rights Under Law, Chicago, Illinois; Acting General Counsel, Legal Services Corporation; and Director, National Lawyers' Committee for Civil Rights Under Law, Washington, D.C. He is currently a partner of the law firm of Hogan and Hartson, Washington, D. C.

Mr. Tatel has been widely praised by civil rights leaders, including Vilma Martinez, Executive Director of the Mexican American Legal Defense Fund, Jack Greenberg of the NAACP Legal Defense Fund, and Burke Marshall.

We have sought reactions to Mr. Tatel's appointment from appropriate members of Congress. Congressmen Thompson and Rodino enthusiastically support the choice of Tatel. Senators Jackson, Pell and Randolph raised no objection to Mr. Tatel's appointment. Among other members of Congress consulted were Senator Cranston, Congressman Perkins and Congressman Brademas. No objections were raised.

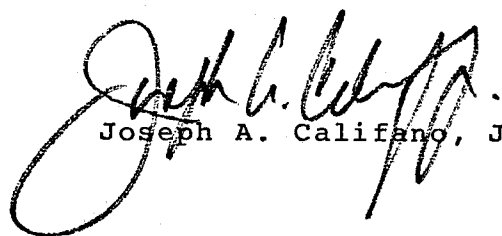
Mr. Cheatham, a black, is currently the Chief, Western Operations, Division of Compensatory Education, U.S. Office of Education. He has the inside view of the Department necessary to assuring that the principal operating components of the Department include civil rights considerations within their programs.

Ms. Brown is currently the Co-Director, Federal Education Project, Lawyer's Committee for Civil Rights Under Law. She is, additionally, the Chairperson, Education Task Force, Leadership Conference on Civil Rights. From 1966 until 1970

Page 2 - The President

Ms. Brown was at the Office for Civil Rights and has extensive knowledge of that organization. She is an excellent administrator and an astute critic of OCR.

I am confident that this team can restore professionalism and esprit de corps to OCR.


Joseph A. Califano, Jr.

Attachments

General

Home Address: 24 Grafton Street
Chevy Chase, Maryland 20015
Telephone: (301) 654-1955

Office Address: 815 Connecticut Avenue, N. W.
Washington, D. C. 20006
Telephone: (202) 331-4774

Date of Birth: March 16, 1942

Family: Married, Four Children

Education

Pre-College Silver Spring, Maryland

College: University of Michigan
Ann Arbor, Michigan
B.A. - June 1963
(Political Science)

Law School: University of Chicago
Law School
Chicago, Illinois
J.D. - 1966
(Editorial Board, University of Chicago Law Review)

Employment Since 1966

August 1966 to April 1967 Instructor in Law,
University of Michigan
Law School

April 1967 to June 1969 Associate - Sidley & Austin
One First National Plaza
Chicago, Illinois 60670

June 1969 to September 1970 Director, Lawyers' Committee for
Civil Rights Under Law
Chicago, Illinois

Employment Since 1966 (continued)

September 1970 to January 1972

Associate - Sidley & Austin
1730 Pennsylvania Avenue, N.
Washington, D. C. 20006

February 1972 to February 1974

Director, National Lawyers'
Committee for Civil Rights
Under Law
733 Fifteenth Street, N. W.
Washington, D. C. 20005

Currently

Partner - Hogan & Hartson
815 Connecticut Avenue, N. W.
Washington, D. C. 20006

Related Activities

Investigator

Chicago Riot Study Commission
(Summer 1968)

Investigator

Walker Commission
(Fall 1968)

Acting General Counsel

Legal Services Corporation
(July 1975 to March 1976)

Wilbert Augustus Cheatham
(A Resume)

Home: 12103 Lihou Court
Tantallon, Maryland 20022
(Phone) 301-292-3611

Office: U.S. Office of Education
ROB #3, Room 3636
7th & D Streets, S.W.
Washington, D.C. 20202
Phone 202-245-9882

EMPLOYMENT

1971 - Present Chief, Western Operations
Division of Compensatory Education
U.S. Office of Education
Washington, D.C.

1970 - 1971 Educational Program Specialist
Division of Compensatory Education
U.S. Office of Education
Washington, D.C.

1966 - 1970 Coordinator of Community Services
Federal Programs
Prince George's County Board of Education
Upper Marlboro, Maryland

CURRENT SALARY \$31,599 - GS-14-4

EDUCATION

1959 - 1965 Columbia Union College, Takoma Park, Maryland
Degree: Bachelor of Arts

1965 - 1968 Howard University, Washington, D.C.
Degree: Master of Social Work

AS AN ADMINISTRATOR:

1971 - Present

Chief, Western Operations

1. Develops and outlines related information and opinions for consideration by Associate Commissioner and Division Director in making policy determinations regarding Federal educational grants to State and local educational agencies, including comments regarding the impact of various alternatives upon the client groups.
2. Directs the monitoring, management consultation, policy interpretation and guidance for comprehensive compensatory programs which include educational, psychological and social service components funded under Title I of the Elementary and Secondary Education Act for children from low-income families, especially those whose families are receiving public assistance payments.
3. Acts as an Office of Education representative to interpret policy and offer technical assistance to State and local educational agencies regarding the implementation of quality Federally funded educational projects in districts facing special problems such as desegregation, fiscal restrictions, and the unique needs of special client groups including welfare recipients. Direct advisor for the Office of Education regarding such problems in San Francisco, Denver, Las Vegas, Tacoma, Seattle, Wichita, Omaha, New York, Camden, and Newark.
4. Provides technical assistance in the development of educational projects and social service support components to enhance the opportunities for children of low-income families and families receiving public assistance to experience success in developing reading and math skills which will likely result in greater opportunities for a successful career and work experiences.
5. Plans, directs and coordinates staff activities as they relate to the liaison activities and responsibilities between the Division of Compensatory Education and State education agencies. Directs team activities involved in assisting State educational agencies in fulfilling their assurances to the Commissioner of Education in the (a) control and processing of project applications received from local educational agencies, (b) determining that eligibility requirements as well as other legal requirements have been met on individual projects, and (c) that satisfactory data, describing the fiscal requirements and the scope and purpose of projects has been included.

6. Member of supervisory staff for Division of Compensatory Education. Participates in development of Program policies and administrative plans for the implementation of program priorities and management objectives.
7. Reviews correspondence and reports developed by branch staff to assure completeness in presentation of information and consistency with previously stated agency policies and positions.
8. Responsible for policy guidance and coordination for projects serving disadvantaged children in 8 States and 3 Territories.
9. Directs professional and paraprofessional staff in the development of program management and analysis instruments.
10. Directs the utilization of above instruments and procedures to evaluate the program effectiveness, management strategies, and regulatory compliance of \$196 million in compensatory education projects for disadvantaged children.
11. Supervises a diverse staff in report writing, grants management reviews, and provision of technical assistance.
12. Develops letters and reports regarding regulatory requirements of programs administered by the Office of Education.
13. Answers Congressional inquiries and correspondence.
14. Directs the fact-finding and participates in the settling of audits under Title I of the Act.

1970 - 1971

Education Program Specialist

Conducted detailed review of local agency project applications, monitored projects to assure fidelity to approved applications and Federal regulations, and investigated complaints and law suits for the Office of General Counsel.

Reason for leaving: Promotion

1966 - 1970

Coordinator, Community Services

1. Directed community and social services of Federally funded projects. Also acted as an assistant to Title I, Head Start and Follow Through Program Directors.
2. Directed and coordinated a staff of 22 professional and paraprofessional social service personnel in their work with low-income families and the public and private agencies established to serve this special client group.
3. Represented the Director of Federal Programs in high level meetings with officials of public and private agencies to negotiate and provide advocacy for improved services for children, especially children of low-income families.
4. Acted as Human Relations Consultant for superintendent. Serves as contact person for community groups, students and school board regarding implementation of desegregation plan.

Reason for leaving: Better salary and greater opportunities for development and advancement.

EXPERIENCE OF SPECIAL INTEREST

- | | |
|-------------|--|
| 1970 - 1976 | Represented the Department of Health, Education and Welfare as Consultant to Chief State School Officers in 22 States regarding the administration of Federally funded projects. |
| 1970 - 1976 | Consulted with professional staff members responsible for the administration of Federally funded projects in 32 States and Territories including Guam, American Samoa, Trust Territories of the Pacific, Puerto Rico and the Virgin Islands. |
| 1969 - 1970 | Consultant for Volt Technical Corporation. Reviewed the administration of Head Start programs in 3 States. |
| 1969 - 1970 | Supervisor of field study for Howard University School of Social Work. |
| 1965 - 1966 | Served as a caseworker for ADC and Foster Care units at Prince George's County Welfare Board as a part of the requirements for the Master of Social Work Degree. |

GUEST LECTURER

1. University of Maryland
2. Howard University
3. Maryland State Department of Education
4. New Jersey State Department of Education
5. Prince George's County Board of Education
6. Northeastern Regional Conference on Compensatory Education

CIVIC & PROFESSIONAL ACTIVITIES
AND MEMBERSHIPS

1. Save the Children Foundation
2. National Education Association
3. National Association of Social Workers
4. Multiple Sclerosis Society
5. Tantallon Civic Association

CYNTHIA G. BROWN

1651 Newton Street, N. W.
Washington, D. C. 20010

BIRTH DATE: March 18, 1943

TELEPHONE: Office - 628-6700
Home - 234-1447

EMPLOYMENT EXPERIENCE

October 1975 - Present

Co-Director, Federal Education Project, Lawyers' Committee for
Civil Rights Under Law

Responsibilities

The Federal Education Project, with a staff of eight and a \$269,000 annual budget, provides basic information and technical assistance to parents and other individuals, community groups and school officials; publishes a monthly newsletter; monitors administration of federal agencies; comments on federal education and civil rights regulations and policies; and undertakes litigation in areas of Title I of the Elementary and Secondary Education Act, Vocational Education Act and antidiscrimination laws affecting public education enforced by the HEW Office for Civil Rights.

At the request of interested Senators and Congresspeople, assisted in the analysis and preparation of amendments and provisions of the Education Amendments of 1976 concerning Title I and desegregation, participation of women in vocational education, and limitations upon antidiscrimination laws.

Additional Activities

Chairperson, Education Task Force, Leadership Conference
on Civil Rights

Coordinate an ad hoc coalition of groups representing and/or concerned about the rights of minorities, women and handicapped persons which has fought with some success to prevent the further weakening of the HEW civil rights enforcement effort. Drafted public amendments and detailed letters to government officials signed by 57 to 135 national organizations (depending on the document).

Participate actively in National Coalition for Women and Girls in Education; in particular, provided technical assistance to this Coalition in its effort to bring about passage of amendments to the Vocational Education Act prohibiting sex bias and encouraging equitable participation of women in vocational education.

Member, Advisory Council to Project on Equal Education Rights,
NOW Legal Defense and Educational Fund, Inc.

July 1970 — October 1975

Program Associate, Children's Defense Fund of the Washington
Research Project, Inc. (formerly just Washington Research Pro-
ject, Inc.)

Responsibilities

Oversight of federal education programs in HEW affecting
poor and minority group people, particularly the Emergency
School Aid Act, Title I of the Elementary and Secondary Educa-
tion Act of 1965, and the school desegregation compliance pro-
gram carried out by the Office for Civil Rights under Title VI
of the Civil Rights Act of 1964.

At the request of interested Senators and Congresspeople
worked with the Senate Select Committee on Equal Educational
Opportunity, the Senate Education Subcommittee and the House
General Education Subcommittee in the development of the Edu-
cation Amendments of 1972 and 1974; prepared analyses of pro-
posed and enacted federal education legislation for distribu-
tion to interested private agencies and local community groups;
drafted congressional testimony.

Coordinated a Southern Education Coalition of civil rights
groups and private agencies concerned about governmental poli-
cies and practices in elementary and secondary education in the
South.

Was one of four Project Directors on CDF Study Children
Out Of School In America (October 1974). For this study I de-
veloped the questionnaire and procedures for a door-to-door
survey of over 8,500 households in 17 school districts around
the country, conducted training sessions for people who did sur-
veys, did surveying myself, interviewed school officials on many
issues relating to children out of school and children with
special needs, set-up and carried out the analysis of survey
data, and assisted in the completion of the entire study.

Assisted in preparation and writing of School Suspensions:
Are They Helping Children? (September 1975).

Had major responsibility in organizing the projects, carry-
ing out field investigations, writing and disseminating the re-
sults, and following up on recommendations for three studies on

school desegregation in the South: The Emergency School Assistance Program: An Evaluation (November 1970), The Status Of School Desegregation In The South 1970 (December 1970), and It's Not Over In The South (May 1972).

Did other short-term projects involving on-site investigations, negotiations with federal officials about program operation and citizen complaints, and the writing of pamphlets and articles.

July 1966 — July 1970

Office for Civil Rights (OCR), Department of Health, Education and Welfare

April 1968 — July 1970: Special Assistant to Director of Division of Elementary and Secondary Education

Responsibilities

Assisted in coordination of operation of southern and northern school desegregation compliance program; coordinated within OCR and with the Department of Justice cases of districts in noncompliance with the Civil Rights Act of 1964; reviewed, recommended action, and resolved compliance problems in desegregating school districts; participated in on-site field investigations and negotiations with school officials; worked on program development and establishment of operating procedures; analyzed OCR regional offices' performance; performed special projects and administrative duties.

October 1967 — April 1968: Assistant to Chief of the Education Branch, Division of Program Planning and Development

Responsibilities

Assisted in preparation of school desegregation "guidelines" under Title VI of the Civil Rights Act of 1964; developed procedures for the OCR compliance program in the North, including research and analysis for the establishing of program priorities; assisted with establishment of procedures and coordination of OCR nationwide surveys of school districts, including working with data processing section of the Office of Education; did various special projects for top OCR personnel.

July 1966 — October 1967 — Civil Rights Specialist in Elementary and Secondary Education for Texas and Louisiana

Responsibilities

Reviewed school desegregation plans; investigated complaints; performed on-site investigations; provided technical assistance for school officials; processed and ordered basic data on school districts; wrote field reports; and prepared for administrative hearing cases of districts in noncompliance with Title VI.

EDUCATION

Graduate	MA in Public Administration (June 1966) — Graduated with Honors (Metropolitan Studies Program) Maxwell Graduate School of Citizenship and Public Affairs Syracuse University Syracuse, New York
Undergraduate	BA, Government (July 1965) — Graduated with Honors in Government Oberlin College Oberlin, Ohio
Secondary	Western Hills High School Cincinnati, Ohio

PUBLICATIONS

"Nixon Administration Desegregation," Inequality in Education,
Harvard Center for Law and Education, August 3, 1971.

"Busing, Leaving the Driving to U.S." Inequality in
Education, Harvard Center for Law and Education, December, 1971.

"The South's New Dual School System: A Case Study," New South,
Fall 1972.

Articles in Federal Education Project Newsletter, 1976.

THE WHITE HOUSE

WASHINGTON

Mr. President:

Jack concurs with Lance.

Stu comments: "Our information indicates that the increased bed level may not be necessary on program grounds. It may be contrary to a policy of reducing the use of veterans hospitals by veterans with non-service connected needs. The primary impetus for the change appears to be the strong advocacy of Senator McClellan. OMB has managed to reduce the size of the request by deleting 30 beds from renovations being done at the North Little Rock Veterans Hospital, a separate facility. If the request is approved, Frank would like to inform Senator McClellan before the information is made public."

(Note: Sen. McClellan would like to know your decision on this before he goes back home on Wednesday.)

Rick

THE WHITE HOUSE
WASHINGTON

*cc Bob Thompson
Cong. Liaison*

*Note: Bob Thompson will notify
Sen. McClellan*

ACTION	FYI		
<input checked="" type="checkbox"/>		MONDALE	<input type="checkbox"/> ENROLLED BILL
<input type="checkbox"/>		COSTANZA	<input type="checkbox"/> AGENCY REPORT
<input type="checkbox"/>		EIZENSTAT	<input type="checkbox"/> CAB DECISION
<input type="checkbox"/>		JORDAN	<input type="checkbox"/> EXECUTIVE ORDER
<input type="checkbox"/>		LIPSHUTZ	Comments due to
<input checked="" type="checkbox"/>		MOORE	Carp/Huron within
<input type="checkbox"/>		POWELL	48 hours; due to
<input type="checkbox"/>		WATSON	Staff Secretary
			next day

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

<input type="checkbox"/>	ARAGON	<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	BOURNE	<input checked="" type="checkbox"/>	LANCE
<input type="checkbox"/>	BRZEZINSKI	<input type="checkbox"/>	LINDER
<input type="checkbox"/>	BUTLER	<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	CARP	<input type="checkbox"/>	POSTON
<input type="checkbox"/>	H. CARTER	<input type="checkbox"/>	PRESS
<input type="checkbox"/>	CLOUGH	<input type="checkbox"/>	B. RAINWATER
<input type="checkbox"/>	FALLOWS	<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	FIRST LADY	<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	GAMMILL	<input type="checkbox"/>	SCHULTZE
<input type="checkbox"/>	HARDEN	<input type="checkbox"/>	SIEGEL
<input type="checkbox"/>	HOYT	<input type="checkbox"/>	SMITH
<input type="checkbox"/>	HUTCHESON	<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	JAGODA	<input type="checkbox"/>	WELLS
<input type="checkbox"/>	KING	<input type="checkbox"/>	VOORDE

THE WHITE HOUSE
WASHINGTON

April 25, 1977

The Vice President
Frank Moore
Bert Lance
Bob Thompson

The attached was returned in
the President's outbox and is forwarded
to you for your information.

Bob Thompson will notify Senator
McClellan.

Rick Hutcheson

Re: Authorization of Bed Level for
Little Rock, Arkansas VA
Hospital

cc Mr. Egan



THE PRESIDENT HAS SEEN.
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 14 1977

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance *Bha -*

SUBJECT:

Authorization of Bed Level
for Little Rock, Arkansas,
Veterans Administration
Replacement Hospital

I. BACKGROUND

This memorandum requests your authorization of an increased bed level for the Veterans Administration hospital replacement complex in Little Rock, Arkansas. This project was announced by President Gerald Ford on May 11, 1976, and initial bed levels were approved by him on January 10, 1977, so that design of the project could proceed with available 1977 funds. Administrator of Veterans Affairs Max Cleland has determined that the original bed level is insufficient, and is requesting an increase. Under 38 U.S.C. 5001, bed levels for VA hospitals can only be established or changed by the President.

The Veterans Administration has requested authorization of an additional \$10.2 million for the construction of 75 additional beds at the proposed new Little Rock hospital, to be built at the University of Arkansas Medical Center. With the increase, the new facility would cost \$125.8 million and would contain 535 beds: 475 medical-surgical, 30 psychiatric, and 30 neurological. The Veterans Administration also has approval for extensive renovation of the North Little Rock Veterans Hospital, which would be decreased by the 30 neurological beds now proposed for the new facility. Thus, the total Little Rock complex would increase by 45 beds to 1,585 beds, 535 at the new facility and 1,050 at North Little Rock.

**Electrostatic Copy Made
for Preservation Purposes**

If you approve the increase, the total Little Rock replacement complex would have 100 fewer beds than the current complex. This decrease is consistent with national efforts to avoid building or maintaining unnecessary hospital beds.

II. RECOMMENDATION

We recommend that you authorize the bed level and funding requested by the Veterans Administration for the Little Rock hospital complex; and that the Veterans Administration be directed to make every effort to keep the project costs within the approved total. In keeping with the construction schedule, final construction funding for this project will be proposed in your 1979 budget.

Approve ✓ Disapprove


**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

Date: April 22, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *attached*
Jack Watson *concur*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 4/14/77 re Authorizaiton of Bed Level
for Little Rock, Arkansas, Veterans Administration
Replacement Hospital.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 10:00 A.M.

DAY: Monday

DATE: April 25, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

must go in Monday

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

*Bad Level for
Little Rock,
Arkansas*

ACTION	FYI
	MONDALE
	COSTANZA
X	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
X	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

Date: April 22, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Jack Watson✓

FOR INFORMATION:

1977 APR 22 AM 10 07

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 4/14/77 re Authorizaiton of Bed Level
for Little Rock, Arkansas, Veterans Administration
Replacement Hospital.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 10:00 A.M.

DAY: Monday

DATE: April 25, 1977

ACTION REQUESTED:

☒ Your comments

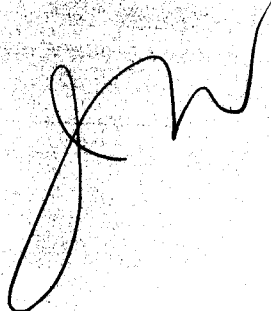
Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

April 25, 1977

Z. Brzezinski
Bert Lance

The attached was returned in the
President's outbox and is forwarded
to you for information and appropriate
action.

Rick Hutcheson

Re: Preliminary Negotiating Position
with Portugal for Azores Base
Agreement

DECLASSIFIED

Per: Rac Project

ESD/N: NLC-126-7-12-1-0

BY: DATE: 1/16/13

DECLASSIFIED

Per: Pac Project

THE WHITE HOUSE ESDX: NLC-DB-7-12-1-0
WASHINGTON BY: Q RE: DATE 1/16/13

confidential

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
X	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
X	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VORDE



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

ok
J

~~CONFIDENTIAL~~ - GDS

APR 22 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: Bert Lance *Bert Lance by WBC*
SUBJECT: Preliminary Negotiating Position with Portugal for
Azores Base Agreement

In accordance with your recent directive on future commitments, the State Department has requested, in the letter at Tab A, permission to inform the Portuguese Government on April 22 that the U.S. Government would be prepared in return for extension of the Azores Base Agreement to provide up to \$60 million in military assistance and \$60 million in economic assistance. The new agreement would extend U.S. base rights in the Azores through at least 1981, possibly 1984.

The Department of Defense believes there are no practical alternatives to our use of Portugal's Lajes Air Force Base complex in the Azores. This base played a key role in our 1973 re-supply of Israel. Even if the importance of the airfield basing and transit rights diminished in the future, the base is critical to our Atlantic anti-submarine warfare strategy. Defense concurs in State's proposed ceilings.

The economic assistance portion is intended solely for the Azores and the military assistance for the Portuguese armed forces. This grant assistance would be in addition to amounts previously provided through FY 1978 and would be paid over a six year period, 1979-1984, with larger amounts the first three years.

It is apparent that the Azoreans are pressuring the Lisbon Government to seek a much larger economic assistance package, up to six times the level recommended by the State Department. It is generally agreed that the Azores could not absorb such a level of economic assistance, and Ambassador Carlucci has suggested \$60 million as a maximum. It is important that our position of \$60 million in economic assistance instead of \$350 million be conveyed to the Portuguese representative so that the Lisbon Government can temper the Azoreans' unrealistic demands prior to the beginning of formal U.S.-Portuguese negotiations. The State Department will request full instructions from the White House prior to any change in these recommended levels.

I concur in the State Department's request and recommend State be authorized to offer \$60 million in grant military assistance, and \$60 million in economic assistance for the extension of the Azores Base Agreement. Dr. Brzezinski concurs.

~~CONFIDENTIAL~~ - GDS

DECLASSIFIED
Per: Rec Project
ESEN: NLC-26-7-12-1-0
BY: *[Signature]* DATE: 1/16/13

UNDER SECRETARY OF STATE
FOR SECURITY ASSISTANCE
WASHINGTON

~~CONFIDENTIAL~~

(with SECRET attachment)

Dear Mr. Lance:

The 1951 agreement with Portugal governing our use of Lajes Air Base in the Azores last expired, following various renewals, in February 1974. Since then, under the liberal terms of the expired agreement we have continued using the base pending agreement on another renewal. Now the Portuguese Prime Minister has informed us that while in Washington from April 20-22 he would like one of his accompanying Foreign Ministry officials to hold informal exploratory talks with us on this subject in preparation for formal negotiations that would follow shortly. This raises the question of continued economic and military assistance during the life of a new agreement.

At stake for us is the continued use of a vital airfield (basing and transit rights) and communications facilities. The base is critical for Atlantic anti-submarine warfare and important for Mediterranean logistic support. In October 1976 the Defense Department reviewed again the value of Lajes as stated in NSSM 221 of April 17, 1975 (attached) and confirmed that the base's importance has not diminished and that no alternatives are easily available. Lajes played a key role in our 1973 resupply of Israel. We would, of course, hope to keep open the possibility of similar extraordinary usage in any future emergency.

The Honorable
Bert Lance,
Director,
Office of Management
and Budget.

~~CONFIDENTIAL~~
GDS

DECLASSIFIED
Per: Rac Project
ESDN: NLC-26-7-12-1-0
BY: DATE: 11/6/13

CONFIDENTIAL

- 2 -

We envisage a very simple renewal arrangement. By one exchange of notes the Portuguese would offer and we would accept without changes another extension of the old, favorable agreement for several years dating from February 1974. (We want ten years but the Portuguese may not agree.) Any changes in technical implementing arrangements, e.g., on local labor, housing, status of forces and so on, would be resolved directly by the Department of Defense and the Portuguese Defense Ministry in accord with Article I of the 1951 Agreement. We desire no changes either in the original agreement or in the implementing arrangements.

Since the old agreement does not provide for any U.S. compensation for using the Azores other than limited training of Portuguese military personnel, there also would be a separate exchange of notes providing for some assistance in addition to the military and economic assistance Portugal already is receiving. The system of separate sets of notes bearing the same date, one set extending the agreement and the other(s) covering any assistance, was the pattern followed in the 1971 renewal. We plan to consult with the Congress to verify that this pattern is still acceptable.

In following this procedure we and the Portuguese would both recognize that the Lajes Base agreement is one part of a larger relationship that goes beyond our mutual obligations in NATO. This concept justifies the economic and military assistance given to Portugal in the past and projected in the future on broad policy grounds (the restoration and preservation of democracy in Portugal), thus avoiding the undesirable precedent of paying rent to a NATO member. At the same time it associates our assistance with our continued use of Lajes for non-NATO purposes. A table on assistance to Portugal in FY 1975-78 is attached.

CONFIDENTIAL

CONFIDENTIAL

- 3 -

We have learned in Lisbon that the Azores regional authorities are urging the Portuguese government to demand between \$350-\$375 million in development assistance for the Azores in exchange for a renewal agreement. Ambassador Carlucci advises that the timely presentation of a figure more acceptable to us but still reasonable in the eyes of the Lisbon government may forestall such exaggerated proposals.

I therefore request White House permission to suggest to the Portuguese, subject both to later approval by the President and to annual authorization and appropriation by the Congress, that the U.S. might be willing to offer the following on the basis of a ten-year extension of the Lajes agreement:

(Millions of dollars in each fiscal year)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>Totals</u>
Grant Economic Aid for the Azores	10	10	10	10	10	10	60
Grant MAP and Training Assistance	25	20	15	--	--	--	--
Proposed Totals	35	30	25	10	10	10	120

This assistance would be in addition to that already approved or proposed for fiscal years 1975-78 which the Portuguese understand is already part of the context in which formal negotiation will finally take place. We expect the Portuguese to ask for this information. at a meeting Friday morning, April 22, which they requested at the Deputy Assistant Secretary level.

You should be aware that there is some disagreement within the State Department as to whether economic aid should come from AID's Security Supporting Assistance (SSA) budget, or whether it should come from a Defense Department appropriation. AID believes that the latter approach more clearly relates economic aid for what is "essentially base rental" to the national defense purposes which are its primary

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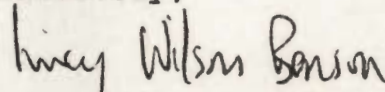
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justification. Defense and State except for AID prefer the existing precedents, i.e. reliance on the SSA, MAP and IMET (military training) accounts. We may have to consult with Congress before settling this issue, since we understand that some sub-committees may be considering creating new economic and military assistance mechanisms to deal with overseas base arrangements.

However, this issue need not be resolved prior to discussing possible levels of assistance with the Portuguese. The Portuguese do not care what account the money comes from and we need not tell them. All interested agencies agree that it is proper to offer economic and military assistance in connection with the Lajes renewal. The figures proposed in the table above appear reasonable in relation to overall U.S. interests in Portugal.

I therefore request permission to present the above assistance levels at the informal April 22 meeting if the Portuguese representatives asks for an illustrative figure on possible U.S. assistance.

Sincerely,



Lucy Wilson Benson

Attachments:

1. NSSM 221, April 17, 1975
2. Table of Medium and Longer Term
Economic Assistance to Portugal
FY 1975-78
3. Table of U.S.-Military Assistance
to Portugal FY 1975-78.

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